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28 January 1982

*subject status*

MEMORANDUM FOR: D/OCC *[Signature]*

FROM:

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SUBJECT: Meeting with Chuck Hanes, HAC S&I Team Member,  
22 January 1982

1. Mr. Hanes is doing a study on the relationship between the NFIP budget and OMB. He mentioned that he had talked to  He wanted to learn from me how the DCID 1/2 priorities are put together and how they may affect budget priorities.

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2. I briefed him on how the DCID 1/2 priorities are developed and disseminated to the Community, how they are used by the Community, and their relationship to the NITs process. I explained how the program managers use the DCID 1/2 priorities as a reference point for their separate decisions about the collection and production of intelligence and about intelligence resources, decisions which must also take account of a variety of operational and planning considerations.

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3. Mr. Hanes had reservations about how well the DCID 1/2 priorities reflect the true needs of intelligence consumers. He fastened on the statement in the DCID 1/2 Attachment that DCID 1/2 priorities "do not reflect ... the extent to which it (information) may already be on hand." He mentioned the intelligence processing problems of the Community. I explained that the need for additional information is not necessarily related to the amount of information on hand. I said that the DCID 1/2 priorities did not reflect the strengths or weaknesses of intelligence capabilities, that they are solely an expression of the intelligence consumers' relative interest in and perceived need for certain kinds of topical information--a form of guidance that is a necessary first step in the intelligence process. I mentioned that the establishment of intelligence collection, tasking, processing, and production priorities were separate steps, each done by the Intelligence Community with reference to the DCID 1/2 priorities and other relevant factors. He seemed satisfied with my explanation.

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4. Mr. Hanes asked about OMB use of the DCID 1/2 priorities. He seemed to have a generally negative attitude toward what Arnie Donohugh and the OMB people were doing, but he offered no details and I didn't press him. I told him that the National Security Division of OMB had attempted some studies that examine the relationship among DCID 1/2 priorities, resource allocations, and requirements satisfaction--with results that were very general and tentative because of the methodological problems inherent in such analysis. [REDACTED]

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5. Mr. Hanes had not seen the 1981 edition of the DCID 1/2 Attachment. He wanted to compare it with the 1979 version, which he had read. I promised to send him a copy and have done so. [REDACTED]

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